

Agency:	107 Health Care Authority
Decision Package Code/Title:	ML1-96 Utilization Changes
Budget Period:	2015 Supplemental Submittal
Budget Level:	ML1 – Maintenance Level

Recommendation Summary Text

PLACEHOLDER

The Health Care Authority (HCA) requests funding in the 2015 supplemental for projected changes in medical services utilization by the HCA's clients identified in the June 2014 Medical Assistance Forecast for fiscal year 2015. Current funding is based upon the February 2014 Medical Assistance Forecast. This placeholder funding request will be updated with the availability of the October 2014 Medical Assistance Forecast.

Package Description

This request is needed to pay the costs associated with anticipated changes in utilization of medical services for fiscal year 2015.

Factors that affect utilization include changes in the intensity and duration of care, technology, and changes in the configuration of services provided to clients.

The methodology used in making the estimate of utilization changes is intended to isolate the costs attributable only to the part of the forecast that is utilization-driven based on current covered populations, and thus reflects changes in needed funding resulting from current program policies.

Questions related to this request should be directed to Jason Brown at (360) 725-2132 or Jason.Brown@hca.wa.gov.

Fiscal Detail/Objects of Expenditure

	<u>FY 2015</u>	<u>Total</u>
1. Operating Expenditures:		
Fund 001-1 GF-State	\$ -	\$ -
Fund 001-2 GF-Federal	\$ -	\$ -
Fund 001-7 GF-Private/Local	\$ -	\$ -
Fund 001-C GF-Federal Medicaid Title XIX	\$ -	\$ -
Total	\$ -	\$ -
	<u>FY 2015</u>	<u>Total</u>
2. Staffing:		
Total FTEs	-	-

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	FY 2015	Total
3. Objects of Expenditure:		
A - Salaries And Wages	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -
E - Goods And Services	\$ -	\$ -
G - Travel	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ -	\$ -
Other (specify) -	\$ -	\$ -
Total	\$ -	\$ -

	FY 2015	Total
4. Revenue:		
Fund 001-2 GF-Federal	\$ -	\$ -
Fund 001-7 GF-Private/Local	\$ -	\$ -
Fund 001-C GF-Federal Medicaid Title XIX	\$ -	\$ -
Fund 418-1 HCA Admin Account	\$ -	\$ -
Fund 19A-1 Medical Fraud Penalty Account- State	\$ -	\$ -
Total	\$ -	\$ -

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The HCA expects to continue to provide access to quality health care to low-income individuals in the State of Washington.

Performance Measure Detail

Activity Inventory

H006 HCA Transitional Bridge Waiver Clients
H007 HCA Take Charge and Family Planning Extension Clients
H008 HCA Children's Health Program Clients
H009 HCA State Program Clients
H010 HCA Healthy Options
H011 HCA All Other Clients - Fee for Service - Mandatory Services
H012 HCA All Other Clients - Fee for Service - Optional Services
H013 HCA Supplemental Medicare Insurance Buy-In

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Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The mission of the HCA is to provide high quality health care for the state's most vulnerable residents. This step supports this mission by ensuring that the existing policies for Medicaid, Children's Health Insurance Program (CHIP), and state-only programs are adequately funded.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This package supports Governor Inslee's Results Washington Goal 4: Healthy and Safe Communities - "Provide access to good medical care to improve people's lives."

What are the other important connections or impacts related to this proposal?

The Medicaid and CHIP programs are subject to the maintenance of eligibility (MOE) requirements mandated under National Health Care Reform. Washington State must maintain existing eligibility standards and benefits coverage to 2014 for adults and 2019 for children.

What alternatives were explored by the agency, and why was this alternative chosen?

Alternatives include the following, all of which violate the MOE provision of National Health Care Reform:

- Reduce eligibility criteria to 133 percent of the federal poverty level (FPL);
- Reduce or eliminate state-only funded caseloads; and/or
- Reduce or eliminate optional service to clients.

What are the consequences of adopting this package?

The HCA will be able to maintain services and caseload for low-income population in the State of Washington. The HCA will also be meeting the MOE requirements under the National Health Care Reform for the Medicaid and CHIP programs.

What is the relationship, if any, to the state capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in to implement the change?

None

Expenditure and Revenue Calculations and Assumptions

Revenue Calculations and Assumptions:

None

Expenditure Calculations and Assumptions:

Calculations will be provided following the completion of the October 2014 Medical Assistance Forecast.

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Which costs, savings, and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Distinction between one-time and ongoing costs:

All costs are ongoing.

Budget impacts in future biennia:

All costs impact future biennia.